

Article - Public Utilities

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§22–113.

(a) (1) Subject to written approval of the county executives and county councils of Montgomery County and Prince George's County, the Commission, on behalf of the sanitary district, may:

(i) borrow money for any purpose for which bonds of the Commission are to be issued; and

(ii) issue negotiable bond anticipation notes of the Commission for any money borrowed in anticipation of the issuance of the bonds or of other revenues for capital expenditures.

(2) The aggregate amount of all bond anticipation notes outstanding under this section at any one time may not exceed \$85,000,000.

(3) The aggregate amount of bond anticipation notes issued under this section in anticipation of the issuance of bonds that are subject to the 7% limitation under § 22–103(a) of this subtitle, together with the aggregate amount of bonds then outstanding that are subject to the limitation, may not exceed the 7% limitation.

(b) (1) Except as otherwise provided for emergent purposes under subsection (d) of this section, bond anticipation notes, including any renewals under item (ii) of this paragraph:

(i) shall mature within 5 years from the date the notes are first issued; or

(ii) if issued for a period of less than 5 years, may be renewed for successive periods not to exceed 1 year each.

(2) The notes shall be payable within 5 years after the date of the first issue.

(c) The notes shall:

(1) be issued in denominations determined by the Commission;

(2) bear interest as provided in § 22–102(d) of this subtitle;

(3) be payable at or before maturity; and

(4) be in the form and executed in the manner that the Commission determines.

(d) (1) (i) Except as provided in paragraph (2) of this subsection, bond anticipation notes shall be sold at public sale.

(ii) Renewal notes may be exchanged for outstanding notes on terms that the Commission determines.

(2) Subject to paragraph (3) of this subsection, the Commission may sell the notes at a negotiated sale if:

(i) the Commission determines that, for economic, engineering, or financial administration purposes, the requirements for the funds require the sale of the notes at an immediate or earlier time than is possible through the procedures of a public sale; and

(ii) the amount of bond anticipation notes sold at negotiated sale, issued or outstanding at any one time, does not exceed \$10,000,000.

(3) Before concluding a negotiated sale, the Commission shall negotiate with at least two recognized banking institutions that purchase bond anticipation notes and obtain the terms most favorable in the Commission's interest.

(4) Bond anticipation notes sold at a negotiated sale:

(i) shall mature within a period not exceeding 180 days; and

(ii) may be renewed not more than one time for an additional period not to exceed 180 days.

(e) (1) Except as provided in paragraph (2) of this subsection, bond anticipation notes shall be paid from the proceeds of the bonds in anticipation of which they are issued.

(2) (i) The Commission may retire the notes from funds available for the payment of the bonds authorized by the Commission.

(ii) The amount of the bonds authorized shall be reduced by the amount of the retired notes.

(f) (1) Bond anticipation notes issued under this section are general obligations of the Commission.

(2) The full faith, credit, and taxing power of the Commission shall be pledged for the repayment of the notes.

(g) (1) Montgomery County and Prince George's County shall guarantee the bond anticipation notes as to payment of principal and interest substantially in the manner and form and with the effect provided for the guarantee of the construction bonds of the Commission issued under § 22-102(a)(1) of this subtitle.

(2) The Commission may waive the required guarantee.

(h) Bond anticipation notes issued under this section, including the interest on the notes, are forever exempt from taxation by the State and counties and municipalities in the State.

(i) The powers and authority granted under this section are in addition and supplemental to the powers and authority granted under any other law and shall be liberally construed to effectuate the purposes of this section.

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